



© Copyright 2011. The NASDAQ OMX Group, Inc. All rights reserved.

NASDAQ OMX SURVEILLANCE OF THE CORPORATE GOVERNANCE CODE

AIMS OF THE CG-CODE

- The aim of the CG-code is that Finnish listed companies apply corporate governance practices that are of a high international standard. The code will harmonise the practices of listed companies as well as the information given to shareholders and other investors. It will also improve the transparency of administrative bodies, management remuneration and remuneration policies.
- The Corporate Governance code is administrated by Securities Market Association which is a cooperation body established by the Confederation of Finnish Industries EK, the Central Chamber of Commerce of Finland and NASDAQ OMX Helsinki Ltd.
- The code provides an overall picture of the central principles of the corporate governance system of Finnish listed companies.
- Good corporate governance will enhance the success of Finnish listed companies.

NASDAQ OMX 2

COMPLIANCE WITH THE CODE

- The Corporate Governance Code is a part of the rules of the stock exchange and all listed companies must comply with the code (comply or explain).
- The monitoring of the appliance of the code is the responsibility of NASDAQ OMX Helsinki and the local FSA (CG Statement)
- NASDAQ OMX Helsinki advises the listed companies in how to interpret the code.
- NASDAQ OMX Helsinki is monitoring the companies' compliance with the code continuously.
- The first study was made in year 2004.
- Disciplinary actions can be taken if the listed companies don't comply with the code.

NASDAQ OMX 3

COMPLY OR EXPLAIN -PRINCIPLE

- Comply or explain –principle
- The company shall comply with all recommendations of the code. The company may depart from an individual recommendation, however, but in this case, it must disclose such a departure and **provide an explanation for doing so.**
 - The company may not depart from the recommendations as far as they are based on law.
 - **A clear and extensive explanation will consolidate the trust in the decision made by the company**
- The company must disclose that it complies with the code in its annual Corporate Governance Statement
- Compliance or departure from the code must also be mentioned on the website.



NASDAQ OMX 4

STRUCTURE OF THE CG-CODE

The code uses the terms "disclose", "report" and "make available" to describe the dissemination of information to shareholders. Unless otherwise provided, the company shall present the information on the company website in all such cases. The term disclosure to the public means the distribution of information in the form of a stock exchange release.

The stock exchange has interpreted the clause so that presenting the information on the webpage means that even accurate information presented in the annual report is not presented on the website as meant in the code. Thus, if the company uses references to the information in the annual report or other financial reports, the reference shall clearly indicate where in that document the information can be found. It is recommended to use a link that leads to the particular page in the document where the information can be found.

10 SECTIONS, 55 RECOMMENDATIONS

- General meeting
- Board of directors
- Board committees
- Managing directors
- Other executives
- Remuneration
- Internal control, risk management and internal audit
- Insider administration
- Audit
- Communications



STUDY MADE IN YEAR 2010

- The stock exchange studies every year how listed companies comply with the CG-code
- The study included the entire CG-code
 - A possible request to improve matters
- Matters that the company should pay attention to:
 - Internal control and internal audit, risk management -> Sufficient descriptions, understanding what you are talking about
 - Explanations for deviations
 - Keeping information up-to-date
 - Keeping the website easy and convenient to use from the point of view of investors
 - well-functioning technical solutions for example in the form of links and layout of the text



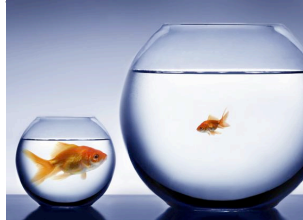
INTERPRETING THE CG-CODE

- www.cgfinland.fi (Q/A)
- **Corporate Governance Statement Guideline**
 - The law and the Finnish Corporate Governance Code require a listed company to annually present a Corporate Governance Statement.
 - As the obligation to present the statement is based on law, it is not possible to depart from the obligation on the basis of the Comply or Explain principle.
 - The Securities Market Association gave on December 1, 2011 the Corporate Governance Statement Guideline. The guideline is not binding. The aim of the guideline is to support and aid with the preparation of the statement by creating an exemplary model to be used by listed companies.

INTERPRETING THE CG-CODE

- **Remuneration Statement Guideline 8.3.2011**

- The guideline offers an example for listed companies when compiling the remuneration statement in accordance with the code. The use of the guideline is voluntary.
- A statement by the Securities Market Association 20.10.2010
 - According to the statement if the remuneration structure of the current managing director of the company deviates materially from the remuneration structure of the previous managing director / that displayed on the company's website, the company shall update the information on the website as soon as possible.
 - If the information might have a material effect on the value of the security the company shall disclose the information by stock exchange release without undue delay.



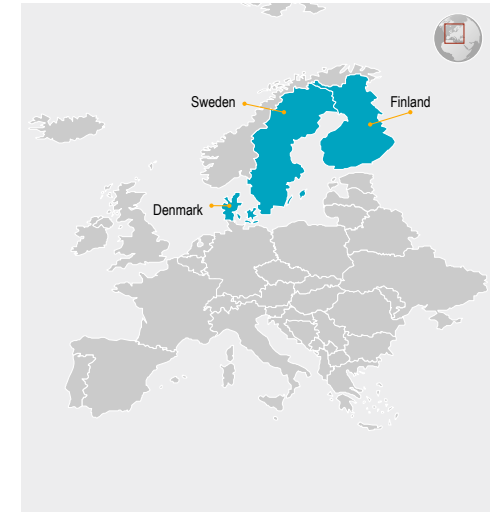
NASDAQ OMX NORDIC CG-PROJECT DURING YEAR 2011

A Nordic Corporate Governance study is conducted in co-operation with Nasdaq OMX Nordic countries Finland, Sweden and Denmark

The aim of the project is to study how well Nordic listed companies apply the corporate governance principles

The study focuses on composition of the board and remuneration policies

The results of the study will be finalized later this year.



OBJECTIVES AND SCOPE OF THE STUDY

- The purpose of the study was to examine how well Nordic companies apply the corporate governance code
- The main focus was on the composition of the Board (including for example the number of Board members, diversity of the educational background) and presenting the Remuneration Statement of the website.

OBJECTIVES AND SCOPE OF THE STUDY

- In Finland a total of 122 companies, including large, mid and small cap companies, were evaluated.

- A total of 41 companies received a request to improve the investor information on the websites. Further 12 companies received a minor notification asking them to update the information.

RECOMMENDATIONS

Recommendation 9 - Number, composition and competence of the directors

The number of the directors and the composition of the board shall make it possible for the board to discharge its duties in an efficient manner. The composition shall take into account the requirements placed by the company operations and the development stage of the company. A person to be elected to the board shall have the qualifications required by the duties and the possibility to devote a sufficient amount of time to the work. Both genders shall be represented on the board.

Recommendation 47 - Remuneration Statement

The company shall make available on its website a remuneration statement, which contains a description of financial benefits of the board of directors, the managing director and the supervisory board, if any, as well as the decision-making process and main principles regarding the remuneration of the managing director and other executives.

CONTACT INFORMATION

Maria Gartz

Telephone number (09) 6166 7548

Maria.gartz@nasdaqomx.com

